

From: <Ted_McDougall@blm.gov>
To: "Paul Baker" <paulbaker@utah.gov>
Date: 11/3/2008 1:40 PM
Subject: Re: Final Velvet Surety Amount

Paul--

The bond amount looks OK to get the existing Plan of Operations transferred from US Energy to Uranium One. Depending on the details of Uranium One's operations, we may need to take another look at bond amount before we authorize any changes to the existing Plan.

Thanks,

Ted McDougall
Geologist
Bureau of Land Management
Monticello Field Office
Phone: 435-587-1512
Fax: 435-587-1518

"Paul Baker"
<paulbaker@utah.gov>
To
<Ted_McDougall@blm.gov>
11/03/2008 12:05 PM cc
Subject
Final Velvet Surety Amount

Ted--

I previously e mailed you about escalating the surety amount for the Velvet mine to 2013 dollars, and the amount was \$98,144. I gave escalated exploration costs to Toby Wright, and he came up with \$20,709 for reclaiming the monitoring wells (see attached spreadsheet). Does this final amount, \$118,853, look okay to you?

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940

Please file
No task
Tom is lead
M0370040

[attachment "Bond calc.xls" deleted by Ted McDougall/SJFO/UT/BLM/DOI]

Velvet Mine Revised Surety

14-Oct-08

Well Abandonment Costs

Wells	Unit Rate	Qty	Total	Comment
mobe	\$ 6,000	1	\$ 6,000	one mobe for both wells
cementing	\$ 245	2	\$ 490	2 wells
Surface recl.	\$ 4,300	1	\$ 4,300	both wells & access rds <1 ac combined
Well 1	\$ 5.45	840	\$ 4,578	total depth in ft.
Well 2	\$ 5.45	980	\$ 5,341	total depth in ft.
TOTAL:			\$ 20,709	

Year 2013 projected bond assuming 3.8%

\$ 98,144

Total Bond: \$ 118,853

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